

APPENDIX R

PROGRAM INCOME

A. INCLUDE A REPORT ON USE OF PAST CDBG PROGRAM INCOME (IF ANY)

Applicants whose communities have “program income” from past CDBG projects **must provide current information in their application regarding their use of these funds for the last three fiscal years** including the following, as applicable:

- Sources of the CDBG program income, including interest earned.
- Dates and amounts of CDBG program income deposits and disbursements.
- A description of the activities funded with CDBG program income.

This information must be provided -- in the applicant’s response to Criterion 5, Application Ranking Issue “H”-- by completing the “Report on Use of Past Program Income” found in this appendix, page R-2.

“CDBG program income” is defined as gross income that is received by either a CDBG grant recipient or sub-recipient that has been directly generated from the use of CDBG funds.

When program income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. See the *CDBG Grant Administration Manual*, Exhibit 4-H, and the *CDBG Program Income and Revolving Loan Fund Manual* for additional explanation and examples.

B. INCLUDE A PLAN FOR FUTURE USE OF CDBG PROGRAM INCOME (IF ANY)

If applicable to the proposed CDBG project, ***the applicant should include in its response to Criterion 5, a plan for the future use of program income and propose long-term administrative mechanisms for the oversight of these funds.*** To address federal program income requirements, MDOC has prepared a *CDBG Program Income and Revolving Loan Fund Manual* for local government grantees that retain and use program income. The manual focuses on state oversight and local government management and accountability for program income and revolving loans including submitting an annual report to MDOC. The manual is available from the MDOC/CDBG staff.

C. ANNUAL CDBG PROGRAM INCOME REPORTS ARE REQUIRED

Each year by federal regulation, the Montana CDBG program must request reports from local governments that have generated program income on CDBG-supported activities. Such Program Income reports are due annually to CDBG and are usually due in October. If a local government requested to retain program income received from its CDBG-funded housing project after project closeout it would have had to complete a Program Income Plan as part of the required closeout report.

This Program Income Plan outlines the use of program income received in conjunction with a revolving loan fund for ongoing housing purposes to assist low and moderate-income homeowners or renters, and may have included a goal to fund other eligible CDBG activities.

Report on Use of Past CDBG Program Income
For the City, Town, or County of _____

Receipts, Disbursements and Changes in Fund Balance(s)
For the Last 3 State Fiscal Years Ending June 30, 20____

	Fiscal Year 20____	Fiscal Year 20____	Fiscal Year 20____
(Receipts)			
Interest			
Principal			
Other			
Total Annual Receipts			
(Disbursements)			
Loans			
Grants			
Total Annual Disbursements			
Total Outstanding Loans			
Fund Balance(s)			

Note. Please attach the following:

- A description of the sources for CDBG program income, including interest earned.
- Dates and amounts of CDBG program income deposits and disbursements.
- A description of the activities funded with CDBG program income.